

3rd Quarter 2018 Earnings Results

October 23, 2018

“Safe Harbor” statement

NOTE: In this presentation we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words “anticipates,” “believes,” “estimates,” “expects,” “hopes” or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The following important factors, along with those discussed in our filings with the Securities and Exchange Commission (the “SEC”), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: adverse conditions in the U.S. and international economies; the effects of competition in the markets in which we operate; material changes in technology or technology substitution; disruption of our key suppliers’ provisioning of products or services; changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks; breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance; our high level of indebtedness; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; significant increases in benefit plan costs or lower investment returns on plan assets; changes in tax laws or treaties, or in their interpretation; changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; the inability to implement our business strategies; and the inability to realize the expected benefits of strategic transactions.

As required by SEC rules, we have provided a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures in materials on our website at www.verizon.com/about/investors.

Consolidated Consistent earnings performance

3Q '18

Reported EPS	\$1.19
<i>Includes ~\$0.21 due to the net impact of tax reform and ASC 606*</i>	

Special items:

Early debt redemption costs	\$0.09
Acquisition and integration-related charges	\$0.02
Severance, pension and benefits credits	(\$0.08)

Adjusted EPS**	\$1.22
<i>Includes ~\$0.21 due to the net impact of tax reform and ASC 606*</i>	

* ASC 606 – Revenue Recognition Standard adopted on January 1, 2018.

** Non-GAAP measure. Adjusted for special items.

Supplemental Information

Impact of ASC 606*

(\$ in millions)

	3Q '18	2018 YTD	ASC 606 Impact		w/o ASC 606 Impact	
			3Q '18	2018 YTD	3Q '18	2018 YTD
Consolidated						
Total revenue	\$32,607	\$96,582	(\$75)	(\$264)	\$32,532	\$96,318
Y/Y Growth	2.8%	4.9%			2.6%	4.6%
Adjusted EBITDA**	\$12,182	\$35,825	(\$367)	(\$1,248)	\$11,815	\$34,577
Adjusted EBITDA Margin**	37.4%	37.1%			36.3%	35.9%
Wireless						
Service revenue	\$15,966	\$47,122	\$280	\$917	\$16,246	\$48,039
Y/Y Growth	0.8%	(0.3%)			2.6%	1.7%
Total revenue	\$22,973	\$67,322	(\$78)	(\$271)	\$22,895	\$67,051
Y/Y Growth	6.5%	5.6%			6.1%	5.2%
Segment EBITDA***	\$10,965	\$32,175	(\$332)	(\$1,132)	\$10,633	\$31,043
Segment EBITDA Margin***	47.7%	47.8%			46.4%	46.3%
Wireline						
Total revenue	\$7,371	\$22,387	\$5	(\$18)	\$7,376	\$22,369
Y/Y Growth	(3.8%)	(2.9%)			(3.7%)	(3.0%)
Segment EBITDA***	\$1,502	\$4,610	(\$32)	(\$138)	\$1,470	\$4,472
Segment EBITDA Margin***	20.4%	20.6%			19.9%	20.0%

* ASC 606 – Revenue Recognition Standard adopted on January 1, 2018.

** Non-GAAP measure. Adjusted for special items.

*** Non-GAAP measure.

Strategic positioning

Network Leadership

- 5G Home launch
- Award-winning 4G LTE
- Intelligent Edge Network

Customer relationships

- High-quality base
- Service revenue growth
- Customer loyalty

Growth opportunities

- 4G / 5G
- Convergent media
- Verizon Connect & IoT

Long-term value creation

- Profitable growth
- Business excellence
- Strong cash generation

Extending network leadership position

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Network & Technology

Continued network leadership confirmed by 3rd party testing results

Launched 5G Home; world's first 5G ultra-wideband commercial product

Achieving 5G milestones

Positioned for broad scale 5G deployment

Consolidated Generating profitable results

Total revenue of \$32.6B, up 2.8% Y/Y in 3Q '18

- Excluding impact of ASC 606, total revenue of \$32.5B, up 2.6% Y/Y in 3Q '18

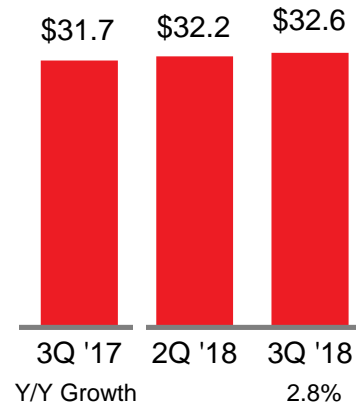
3Q '18 Adjusted EBITDA of \$12.2B*

- Excluding impact of ASC 606, 3Q '18 Adjusted EBITDA of \$11.8B, up \$0.4B Y/Y*

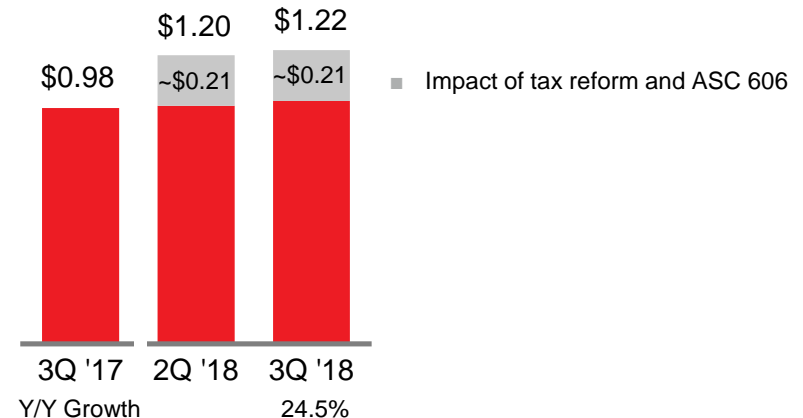
3Q '18 Adjusted EBITDA margin of 37.4%*

- Excluding impact of ASC 606, 3Q '18 Adjusted EBITDA margin of 36.3%*

Total Revenue (\$B)



Adjusted EPS*



* Non-GAAP measure. Adjusted for special items.

Consolidated Strong cash generation

<i>(\$ in billions)</i>	2017 YTD	2018 YTD
Cash flow from operations	\$16.5	\$26.2
Capital expenditures	\$11.3	\$12.0
Free cash flow*	\$5.2	\$14.2
Dividends paid	\$7.1	\$7.3
Total debt	\$117.5	\$112.9
<i>Total asset-backed long-term borrowings</i>	\$7.9	\$9.2
Net debt to adjusted EBITDA**	2.6x	2.4x

Note: Amounts may not add due to rounding.

* Non-GAAP measure.

** Non-GAAP measure. Adjusted for special items.

Wireless

Strong revenue and profitability

Total revenue of \$23.0B in 3Q '18

- Excluding impact of ASC 606, total revenue of \$22.9B, up 6.1% Y/Y

Service revenue of \$16.0B, up 0.8% Y/Y in 3Q '18

- Excluding impact of ASC 606, service revenue of \$16.2B, up 2.6% Y/Y

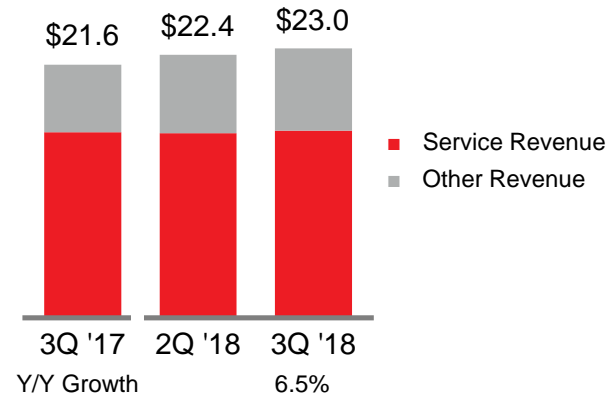
3Q '18 segment EBITDA margin on total revenue of 47.7%*

- Excluding impact of ASC 606, segment EBITDA of \$10.6B and segment EBITDA margin of 46.4%, up 20 bps Y/Y*

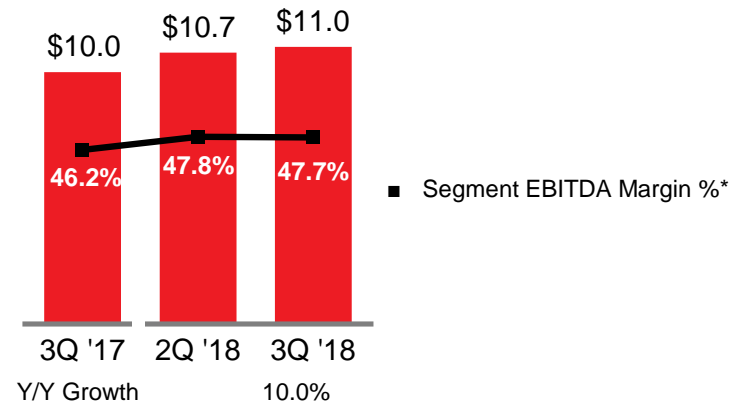
~49% of postpaid phone base on device payment plans in 3Q '18

* Non-GAAP measure.

Total Revenue (\$B)



Segment EBITDA (\$B)*



Wireless Network leadership driving customer demand

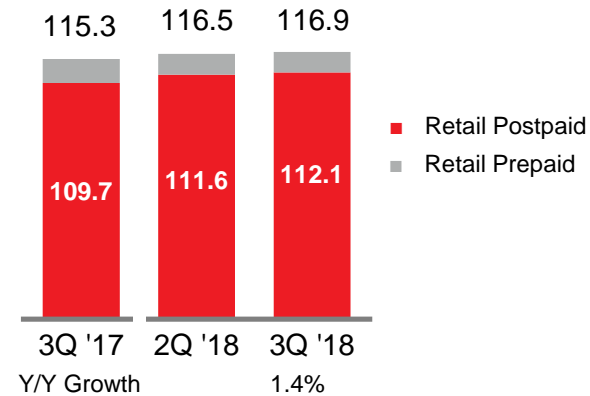
510K postpaid smartphone net adds in 3Q '18

295K phone net adds in 3Q '18

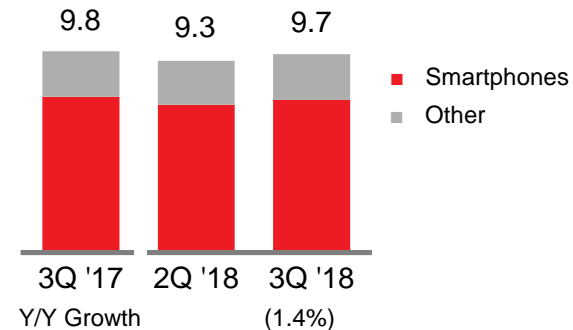
515K retail postpaid net adds in 3Q '18*

3Q '18 retail postpaid phone churn of 0.80%

Retail Connections (M)



Retail Postpaid Device Activations (M)



* Excludes acquisitions and adjustments.

Wireline

Broadband driving Fios revenue growth

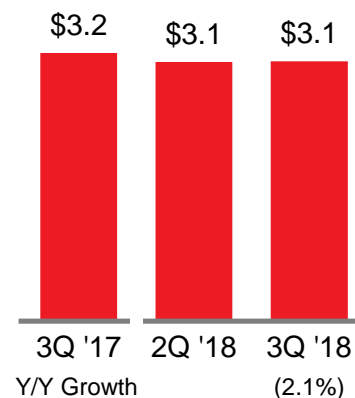
Total Wireline revenue excluding impact of ASC 606 of \$7.4B, down 3.7% Y/Y in 3Q '18

- Consumer Markets revenue excluding impact of ASC 606 of \$3.1B, down 1.8% Y/Y in 3Q '18
- Total Fios revenue excluding impact of ASC 606 grew 1.6% Y/Y in 3Q '18
- 54K Fios Internet net adds in 3Q '18
- 63K Fios Video net losses in 3Q '18

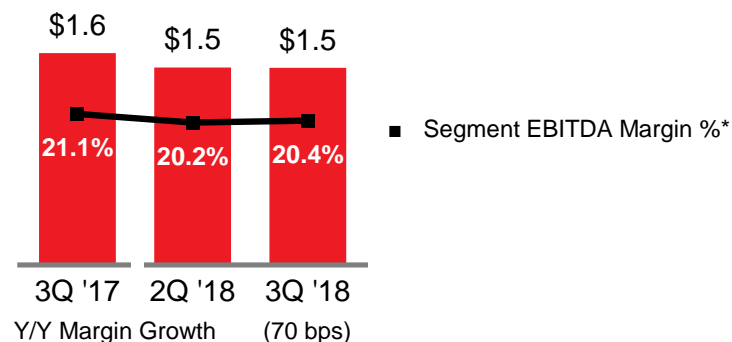
Excluding impact of ASC 606, segment EBITDA margin of 19.9%*

* Non-GAAP measure.

Consumer Markets Revenue (\$B)



Segment EBITDA (\$B)*



Media and IoT

Positioning for future growth



3Q '18 revenue of \$1.8B, down 6.9% Y/Y

- Search and desktop declining
- Growth in mobile usage and video products

Key initiatives

- Ad platform integration
- Content focus



Sports



News



Finance



Entertainment

Confident in strategy and priorities

Leading in technology development and network performance

Strong wireless service revenue growth and customer retention

Transforming the cost structure

Pre-positioning for future growth opportunities

Allocating capital consistently for long-term value

Delivering solid financials, strengthening balance sheet, and returning value to shareholders

3Q '18 Supplemental Information

Selected metrics

Wireless

3Q '18

Retail postpaid upgrade rate (%)

5.0%

Postpaid gross adds (M)

4.0

Postpaid smartphone net adds (000)

510

Postpaid phone net adds (000)

295

Postpaid tablet net losses (000)

(80)

Wireline

Fios consumer revenue growth rate Y/Y (%)

1.1%*

* Excludes impact of ASC 606.

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